

RESOLUTION NO. 2007-22

A RESOLUTION OF THE LODI CITY COUNCIL AMENDING THE ELECTRIC
UTILITY DEPARTMENT RULES AND REGULATIONS NO. 15, ESTABLISHING
A NEW TRANSMISSION AND SUBSTATION SYSTEM CHARGE ON NEW
DEVELOPMENTS OUTSIDE EXISTING CITY LIMITS AS OF AUGUST 1, 2006

WHEREAS, presently the cost of constructing new transmission lines and substation facilities for the distribution system is provided by the Electric Utility Department (EUD) without any cost contributions by new developers; and

WHEREAS, presently, EUDs existing four distribution substations have sufficient capacity for existing and in-fill development within the city: and

WHEREAS, in the short-term, new developments outside existing city boundaries can also be served from existing substations, and in the long-term, new substations may be required in the west/southwest and/or south/southwest areas of the community to reliably accommodate expanded growth beyond current city boundaries; and

WHEREAS, based on typical EUD substation and transmission facilities design, the estimated cost of constructing a new substation and its associated transmission system is \$7,864,500 (in 2006 dollars). The corresponding cost per kVA (kilovolt-amperes) is \$163.84, which is calculated using the 48MVA (megavolt-amperes) effective capacity of EUDs standard substation; and

WHEREAS, staff recommends the establishment of a Substation and Transmission System Charge to be assessed as a development impact fee upon future EUD electric load outside City boundaries as they exist on August 1, 2006. The initial amount of such charge would be \$163.84 per kVA of computed new electrical load. This charge would be adjusted annually beginning January 1, 2008, based on changes in the Producer Price Index for Electric Power Distribution: and

WHEREAS, a separate account shall be established under EUDs Capital Improvement Project Funds for the collected fees and funds shall be expended only for the construction of new transmission and substation lines and shall not be commingled with other capital facilities accounts. The proposed amendment to EUD's Rules and Regulations No. 15 (Extension of Facilities) is shown in Attachment A.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby amends Electric Utility Department's Rules and Regulations No. 15, establishing a new Transmission and Substation System Charge and approves assessment of this fee on new developments outside City boundaries as they exist on August 1, 2006; and

BE IT FURTHER RESOLVED that this Resolution shall take effect on April 9, 2007.

Dated: February 7, 2007

I hereby certify that Resolution No. 2007-22 was passed and adopted by the City Council of the City of Lodi in a regular meeting held February 7, 2007, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Hitchcock, Katzakian, Mounce, and
Mayor Johnson

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None


RANDI JOHL
City Clerk



CITY OF LODI

ELECTRIC UTILITY DEPARTMENT

AMENDMENT TO RULE AND REGULATION NO. 15

(EXTENSION OF FACILITIES)

Existing Section D.3 of Rule and Regulation No. 15 is amended by the addition of a new Subsection "c" to read as follows:

D. Line Extensions

3. City's Responsibility:

- c. Furnish and construct transmission line (60kV) and distribution substation facilities to accommodate new development within the service area. The projected costs of such facilities shall be shared proportionately based on the electrical capacity requirements of new electric load, as determined by EUD. These projected costs shall include labor, materials, equipment and infrastructure to construct necessary transmission line and distribution substation facilities.

A "Transmission & Substation System Charge" shall be assessed to new developments and/or electric load outside City boundaries as such boundaries exist on August 1, 2006. The amount of this charge (\$163.84 per kVA of computed new electrical load) shall be documented in the Schedule of Charges attached to EUD's Rules and Regulations.

The amount of the Transmission & Substation System Charge shall be revised annually beginning January 1, 2008 based on the change in the U.S. Department of Labor's Bureau of Labor Statistics' Producer Price Index (PPI) for Electric Power Distribution ~~between~~ the PPI for the month of June of the prior two calendar years. If there is a change in this charge between the time of application for electric service and the actual payment of charges, the charge in effect at the time of payment shall apply.